

Village of Weston

Total Rewards Management

Strategic Workforce Planning

- Strategic workforce planning:
 - Integrated with strategic business planning and budgeting
 - Constantly changing workplace and workforce
 - Support and sync talent and business outcomes
 - Segment roles to determine how each position contributes value to the organization
 - Evaluate the current workforce and identify future talent needs
- Proactive approach in identifying what the workplace environment, workforce skill sets, and organizational structure should look like today and into the future.

Total Rewards Strategy

- ▣ Total compensation requires balancing direct compensation, such as base pay and incentives with:
- ▣ Indirect compensation:
 - ▣ Health Benefits
 - ▣ Dental Benefits
 - ▣ Time Off – PTO/Holiday's/Sick Time
 - ▣ WRS
 - ▣ Wellness Program
 - ▣ Tuition Reimbursement
 - ▣ Life Insurance
 - ▣ Work environment
 - ▣ Income Continuation Insurance
 - ▣ EAP
- ▣ Compensation equity inside a company—fairness between what employees bring to a company and how they are rewarded—has become more important than external equity.
- ▣ The Village of Weston's total rewards philosophy is to pay at or above the market and offer a competitive benefit package. We are seeing these benefits meeting or exceeding the norm in the private sector.

Total Rewards Strategy

- Why is this important?
- To identify how the pay programs and strategies support the organization's:
 - Business strategy
 - Competitive outlook
 - Operating objectives
 - Human capital needs
 - To attract people to join the organization
 - To motivate employees to perform at the best of their competencies, abilities and skill sets
 - To retain key talent and reward high-performing employees
 - To define the competitive market position of the organization in relation to base pay, incentive compensation and benefits opportunities
 - To define how the organization plans to pay and reward competitively, based on business conditions, competition and ability to pay.

Compensation Groundwork

- Carlson Dettman Compensation Consulting Firm
 - Uses credible sources for market data such as Towers-Watson, Mercer, Local regional data, etc.
- Focus is to partner with clients to develop salary administration and performance processes that attract, motivate, and retain a talented workforce.
- 2014 - Benchmarked a majority of the positions in the Village using a compensable factor model providing a basis for evaluating the relative worth of the position.
 - When evaluating positions it is important to keep in mind that you are reviewing the value of the position not the person.
- Managers and employees participated in this process.
- The Village of Weston's compensation philosophy is to pay at or above the market.
 - Market Pay – the average salary that is being paid for a job in a defined labor market.



Pay for Performance

- Automatic cost-of-living adjustments (COLA) are a thing of the past.
 - Pay for Performance is the norm.
- It's more equitable/fair to rate everyone at the same time under the same market conditions using a pay for performance system.
- Highs and Lows:
 - All employees aren't above average – most employees meet expectations
- Bell-shaped curve is often used in determining performance
 - Approximately - 10% above expectations
 - Approximately- 80-85% meet expectations
 - Approximately – 10% do not meet expectations
- The difference between high performers' annual merit increase and low performers' merit increase should be enough of a difference to motivate higher performance.
- It is not expected that everyone is performing at the same level and that's OK. It is, however, important to reward and differentiate pay based on performance.

Examples

- I hire John to build a staircase for me. I give John a budget of \$10,000 and a deadline of 4 weeks.
- John builds a pine staircase in 4 weeks at a cost of \$10,000 – he has Met Expectations (Successful Performance).
- John builds an ornate oak staircase and completes the project in 3 weeks at a cost of \$8,000 – he has Exceeded Expectations.
- John builds an elevator and completes the project in 2 weeks at a cost of \$5,000 – he has provided Exceptional Performance.

Current Local Labor Market

	Mean Hourly Wage	Average Annual Wage
All Occupations (Wisconsin)	\$20.62	\$42,880
Production Workers (Wausau)	\$15.29	\$31,810
Highway Maintenance Worker (Wausau)	\$18.24	\$37,930
Average Wage Weston Employees	\$22.77	\$43,264

Questions?